

UTAH HOUSING CORPORATION
Minutes of Regular Meeting

August 1, 2013

PARTICIPANTS

Trustees:

Douglas DeFries, Chair
Kay Ashton, Vice Chair
Mark Cohen, Trustee
Lucy Delgadillo, Trustee
Richard Ellis, Trustee
Lerron Little, Trustee

Staff:

Grant Whitaker, UHC President and CEO
Cleon Butterfield, UHC Senior Vice President and CFO
Jonathan Hanks, UHC Senior Vice President and COO
Claudia O'Grady, UHC Vice President, Multifamily Finance
Heather Losee, UHC Executive/Communications Assistant

Guests:

Fred Olsen, Ballard Spahr, LLP
Bonnie Kier-Herrick, Kier Construction
Kimi Kier-Noar, Kier Construction
Tracy Theis, Kier Construction

Trustees of the Utah Housing Corporation (UHC or Utah Housing) and UHC staff met in a Regular Meeting on August 1, 2013, at 1:30 PM MST via teleconference and in person at the offices of Utah Housing Corporation, 2479 S Lake Park Blvd, West Valley City, Utah.

The meeting was called to order by Chair, Doug DeFries. The chair then determined for the record that a quorum of Trustees was present, as follows:

Douglas DeFries, Chair
Kay Ashton, Vice Chair
Mark Cohen, Trustee
Lucy Delgadillo, Trustee
Richard Ellis, Trustee
Lerron Little, Trustee

The chair excused the following Trustees:

Ed Leary, Trustee
Jon Pierpont, Trustee
Robert Whatcott, Trustee

The President then reported that the Notice of the Regular Meeting was given to all Trustees of Utah Housing and that material addressing the agenda items had been distributed to the Trustees in advance of the meeting.

The President then acknowledged a Verification of Giving Notice, evidencing the giving of not less than 24 hours public notice of the date, time, place and summary of agenda of the Utah Housing Corporation Regular Meeting in compliance with the requirements of the Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended; together with the form of Notice of Regular Meeting referred to therein; and also the required public notice of the 2013 Annual Meeting Schedule of Utah Housing will be entered into the Minutes.

The chair called for the first agenda item.

1. Approval of the Minutes of May 10, 2013, Special Meeting

The President had provided each Trustee with a copy of the written minutes of the May 10, 2013, Special Meeting, and the Trustees acknowledged they had sufficient time to review these minutes. Mr. DeFries asked for any discussion on the May 10, 2013, minutes as presented.

Mr. Cohen stated that there was one change he recommended in the minutes relative to parameters surrounding the Canyon Crossing at Riverwalk Project. Mr. Whitaker indicated that that change would be so made. Following any discussion, the chair called for a motion.

**MOTION: TO APPROVE THE WRITTEN MINUTES OF THE
SPECIAL MEETING OF MAY 10, 2013.**

Made by: Mark Cohen
Seconded by: Richard Ellis
Vote: Unanimous approval

The chair called for the next agenda item.

2. Resolution 2013-15 Approving the 2014 Qualified Allocation Plan for Low Income Housing Tax Credits

RESOLUTION 2013-15

**A RESOLUTION OF THE UTAH HOUSING CORPORATION AMENDING
THE QUALIFIED ALLOCATION PLAN.**

Mr. DeFries introduced the resolution recommending that the Board adopt a motion which defines changes to be incorporated into the 2014 Qualified Allocation Plan for Low Income Housing Tax Credits. Mr. DeFries asked Mr. Whitaker to begin discussion.

Mr. Whitaker began by saying that UHC is authorized by the Utah Code to be the state's Housing Credit Agency with respect to both Federal and State of Utah Low Income Housing Tax Credits in accordance with a Qualified Allocation Plan established in accordance with the Federal and State Code, respectively. Section 42 of the Internal Revenue Code establishes the Federal Low Income Housing Tax Credit Program. The Utah Code in the Utah Housing Corporation Act designates UHC as the allocator of tax credits.

Mr. Whitaker went on to say that Section 42 of the Internal Revenue Code largely delegates much of the Tax Credit determinations to each state through its allocating entity and requires that each allocating entity adopt a Qualified Allocation Plan or QAP. The Allocation Plan establishes the criteria to be used to select projects that will be awarded Housing Credits; preferences to projects that serve tenants with a strata of low incomes, efficiency of Housing Credits and other criteria; and procedures for monitoring and reporting non-compliance with the program.

Mr. Whitaker explained that UHC held an informal input meeting on March 18 of this year with affordable housing professionals, as well as the first Tax Credit Committee meeting on May 23, and conducted a public hearing as required by the Federal Code on June 17, 2013. UHC gave legal notice of the public hearing as required by the Internal Revenue Code to all known interested parties, by publication in newspapers with general circulation throughout the state and posted the notice on the State's Public Meeting Website, although posting of hearings is not mandatory.

Mr. Whitaker indicated that in early June UHC made available on the Utah Housing website a draft of the Allocation Plan, identifying proposed changes, prior to the required public hearing. UHC's Housing Tax Credit Committee met again to review the proposed changes on July 17, 2013. Several amendments were made to the draft based on the input received from the public and the Committee.

Mr. Whitaker said that prior to, during, and following the public hearing, UHC received and considered oral and written comments from interested parties on recommended changes to the Allocation Plan including sections of the QAP that UHC had not planned to change. Some comments related generally to the QAP, potentially effecting all development applications. Some comments related to specific elements that could benefit one or just a handful of applications. Utah Housing is charged with the responsibility to weigh it all up and, using our best judgment, to craft the best QAP we can. However, we are reluctant to implement changes simply for the benefit of one project. It is the charge to UHC that the QAP benefit Utah's low income population and achieve objective set forth by Utah Housing.

Mr. Whitaker concluded by stating that the adoption of the resolution will enable UHC to further the goals and purposes of UHC's Low Income Housing Tax Credit Program through 2014. Following approval by the Trustees, in accordance with the Federal Code, the Allocation Plan will be submitted to Governor Herbert for his approval and signature. Thereafter, interested parties will be invited to submit applications for the 2014 reservation round of competitive 9% Tax Credits. Applications will be due on October 7, 2013, and it is anticipated that the Board of Trustees will reserve Housing Credits to successful applicants sometime in December.

Mr. Whitaker asked Mr. Cohen and Mr. Hanks for comments. Mr. Cohen, as Chair of the Low Income Housing Tax Credit Committee, noted that in the two committee meetings, the discussions were rigorous and candid, resulting in a few changes from the initial drafts. Mr. Hanks reviewed several of the major changes to the QAP, as identified on Exhibit A to the memo included in the Board Packet, and noted that the entire QAP was available for review by the Trustees, both on the Utah Housing website and a copy he presented.

Mr. DeFries then asked if there were any additional comments or discussion from the Board. Following any additional discussion, Mr. DeFries asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-15 OF UTAH HOUSING CORPORATION APPROVING THE 2014 QUALIFIED ALLOCATION PLAN FOR LOW INCOME HOUSING TAX CREDITS.

Made by: Mark Cohen
Seconded by: Richard Ellis

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Douglas DeFries	Yes, as filed with UHC.
Kay R. Ashton	Yes, as filed with UHC.
Mark Cohen	Yes, as filed with UHC.
Lucy Delgadillo	No interest to disclose.
Richard Ellis	No interest to disclose.
Lerron Little	Yes, as filed with UHC.

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The chair called for the next agenda item.

3. **Resolution 2013-16 Authorizing the issuance of not to exceed \$100,000,000 GNMA MBS**

RESOLUTION 2013-16

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF NOT TO EXCEED \$100,000,000 OF SINGLE-FAMILY MORTGAGE LOANS, THE EXCHANGE OF SUCH MORTGAGE LOANS FOR GNMA MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH GNMA MORTGAGE-BACKED SECURITIES AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. DeFries introduced the resolution recommending that the Board adopt a motion authorizing the issuance of up to \$100 million in GNMA Mortgage Backed Securities (MBS) for the purpose of purchasing single-family loans. Mr. DeFries asked Mr. Whitaker to begin discussion.

Mr. Whitaker began by saying that the next three agenda items each are requesting board approval to seek different capital sources to fund single-family loan production totaling \$300 million. Resolution 2013-16 is perhaps tenth resolution for GNMA MBS authority. The Board has previously approved, by Resolution, \$850 million in GNMA MBS issuance authority, most recently \$100 million in May 2013. Approval will enable UHC to purchase single-family mortgage loans made to low-moderate income home buyers and provide economic stimulus to Utah's economy.

Mr. Whitaker went on to say that in the fall of 2009, UHC began its securitization of mortgage loans into GNMA MBS. Issuing GNMA MBS allows UHC to sell its loan production to investors in the secondary market for cash. The cash is used to reimburse Utah Housing when its own funds are used for the first lien mortgage loan purchases or to pay off the warehouse line used to purchase the mortgage loans from its participating lenders. Since 2009, UHC has relied on several different capital sources to fund its single-family program. In addition to the MBS issuance, UHC has funded its single-family mortgage programs by issuing taxable bonds along with the sale of loans to certain industrial banks. The capital source UHC uses for any given pool of loans is based on which source provides the best financial benefit as determined by pricing. During the past year delivering loans into a GNMA MBS, sold as an interest rate hedge, generally represented the best execution and pricing for the sale of UHC loans.

Mr. Whitaker indicated that the GNMA MBS has been the program bread and butter because it is most often the best execution allowing the lowest mortgage rate and highest income to UHC. Other sources included in last years' production include CRA pools, with three industrial banks, and taxable bond issues, through Zions Bank. Two new sources approved, or to be approved, include tax exempt GNMA trades with Wells Fargo and Fannie Mae Risk Share Program. Mr. Whitaker then reviewed the GNMA TBAs/Securities Sold, UHC's Fiscal Year Production, and the NCSHA 2013 Mortgage Executions Survey.

Mr. Whitaker said that trading with six broker/dealers, UHC has sold over \$784 million of GNMA MBS pools since it began issuing in 2009, and over \$314 million in calendar year 2013. The GNMA MBS securities have funded over 4,850 mortgage loans while earning UHC on average a premium of about 4.15% amounting to over \$36 million gross income, in addition to servicing fees to be earned over time.

Mr. Whitaker said that since the introduction of the HomeAgain and Score loan products in April of 2012, UHC's production has continued to increase. During the recently ended fiscal year, UHC purchased 3,492 loans for over \$528 million, averaging over \$2 million per day, nearly double the historical trend. Previous yearly records were the purchase of 3,686 loans in 1989 and \$329 million of loans in 2007. Approximately 36% of the loans purchased have been from HomeAgain and Score. These two new loan products represent a significant portion of the increase in volume. It is estimated that the single-family mortgage program demand will continue at \$100 million or more per calendar quarter for the year 2013.

Mr. Whitaker concluded by reviewing the 2013 Mortgage Executions Survey conducted by the National Council of State Housing Agencies that shows Utah Housing's production numbers are fifth in the nation for 2012 and for projections in 2013.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-16 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$100,000,000 GNMA MBS.

Made by: Mark Cohen
Seconded by: Kay Ashton

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Douglas DeFries	Yes, as filed with UHC.
Kay R. Ashton	Yes, as filed with UHC.
Mark Cohen	Yes, as filed with UHC.
Lucy Delgadillo	No interest to disclose.
Richard Ellis	No interest to disclose.
Lerron Little	Yes, as filed with UHC.

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The chair called for the next agenda item.

4. Resolution 2013-17 Authorizing the issuance of not to exceed \$75,000,000 Fannie Mae MBS or whole loan transactions

RESOLUTION 2013-17

A RESOLUTION OF UTAH HOUSING CORPORATION AUTHORIZING THE PURCHASE OF UP TO \$75,000,000 OF SINGLE-FAMILY MORTGAGE LOANS, THE SALE OF SUCH MORTGAGE LOANS TO FANNIE MAE FOR CASH OR THE EXCHANGE OF SUCH MORTGAGE LOANS FOR FANNIE MAE MORTGAGE-BACKED SECURITIES, THE SALE OF SUCH FANNIE MAE MORTGAGE-BACKED SECURITIES, AND AUTHORIZING ALL DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. DeFries introduced the resolution recommending that the Board adopt a motion authorizing the issuance of up to \$75 million in Fannie Mae Mortgage Backed Securities (MBS) and whole loan sales for the purpose of purchasing single-family loans. Mr. DeFries asked Mr. Whitaker to begin discussion.

Mr. Whitaker began by saying that approving this Resolution will enable UHC to create another funding vehicle for UHC to purchase single-family mortgage loans, provide access to a conventional loan product that will provide lower monthly mortgage payments to qualified low and moderate income Utahns, and provide economic stimulus to Utah's economy.

Mr. Whitaker went on to say that at the Special Board Meeting held May 10 of this year the Board approved new Single-Family Program parameters that will accommodate a program that is new to Utah Housing, although it has been around for a few years and used by other HFAs. The program has no mortgage insurance. Since a 1984 bond issue, all Utah Housing first mortgage loans funded by all capital sources were either FHA-insured or VA-guaranteed.

Mr. Whitaker explained further that due to sharply increased losses experienced by its mortgage insurance fund, HUD made significant changes to the FHA loan program over the last two years, significantly increasing the cost to homeowners to obtain an FHA-insured loan. FHA is becoming much more expensive, but provides higher debt to income ratios and lots of security (no risk) to UHC. FHA is necessary for GNMA transactions. As a result of the premium increases, UHC sought other lending opportunities to improve home affordability for its customers. Following a detailed review of other loan programs at the May 10th Board Meeting, the Board approved UHC's program parameter changes to accommodate the conventional loan product with no mortgage insurance (the "NoMI" product) only available to housing finance agencies.

Mr. Whitaker said that highlights of NoMI compared with existing FHA loan programs are significantly lower monthly payment; no mortgage insurance; higher note rate; and shared exposure between Utah Housing and Fannie Mae on early-defaulting loans in the six-month period following the sale of a loan to Fannie Mae. To mitigate UHC's risk, NoMI borrowers must have a minimum credit score of 700, a maximum debt-to-income ratio of 43%, and subordinate mortgages for down payment assistance will be no more than 4% of the first mortgage amount compared to 6% for FirstHome.

Mr. Whitaker concluded by stating that this Resolution authorizes the first \$75 million of the NoMI executions and to provide down payment assistance in the form of second mortgage loans in an amount not to exceed 4% of the \$75 million or \$3 million. Other HFA's have found the NoMI program to be an extraordinary opportunity to continue their missions of offering low cost financing. The program has been offered for several years resulting in thousands of loans, but according to other HFAs at a recent meeting, there has only been one buy-back of a delinquent loan. These loans are profitable for Fannie Mae as they continue to award approval to the HFAs to participate. Other HFA FICO scores are averaging 730 to 740 points even though they have no FICO overlay minimums as UHC has when it established the minimum at 700. NoMI loans will be sold by Utah Housing to Fannie Mae one of two ways, as whole loans or securitized into Fannie Mae MBS. Once the Utah Housing product becomes more seasoned, it is anticipated that nearly 100% of NoMI loans will be securitized which will provide a higher premium to UHC.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-17 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$75,000,000 FANNIE MAE MBS OR WHOLE LOAN TRANSACTIONS.

Made by: Lucy Delgadillo
Seconded by: Kay Ashton

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Douglas DeFries	Yes, as filed with UHC.
Kay R. Ashton	Yes, as filed with UHC.
Mark Cohen	Yes, as filed with UHC.
Lucy Delgadillo	No interest to disclose.
Richard Ellis	No interest to disclose.
Lerron Little	Yes, as filed with UHC.

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The chair called for the next agenda item.

5. Resolution 2013-18 Approving loan participation agreement(s) of not to exceed \$125,000,000

RESOLUTION 2013-18

A RESOLUTION OF UTAH HOUSING CORPORATION (“UHC”) AUTHORIZING UHC TO ENTER INTO MASTER PARTICIPATION AGREEMENTS WITH AMERICAN EXPRESS BANK, FSB AND AMERICAN EXPRESS CENTURION BANK FOR THE SALE OF AN UNDIVIDED PARTICIPATION INTEREST IN UP TO \$125,000,000 SINGLE-FAMILY MORTGAGE LOANS; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL NECESSARY DOCUMENTS REQUIRED IN CONNECTION THEREWITH AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RELATED MATTERS.

Mr. DeFries introduced the resolution recommending that the Board adopt a motion approving the sale of an undivided participation interest to American Express FSB and/or American Express Centurion Bank (collectively, American Express) of up to a combined total of \$125 million of newly originated fixed rate single-family mortgage loans. Mr. DeFries asked Mr. Whitaker to begin discussion.

Mr. Whitaker began by saying that this is a renewal or extension of one of our sources of capital. The participation agreements will enable Utah Housing to access additional capital in the amount of \$125 million to fund its single-family program; enable approximately 880 lower income families to purchase a home; finance approximately 50 newly constructed homes and 830 existing homes; and create local and state tax revenue of approximately \$1.75 million and 40 man-years of employment.

Mr. Whitaker went on to say that Utah Housing is in constant need of capital to fund its mortgage loan production. During the past two years Utah Housing has developed a highly successful CRA Participation Pool Program in cooperation with Utah’s Industrial Banks to help meet their CRA requirements. These Pools have proven to be a reliable source of capital for the single-family program and a good source of revenue for UHC. Rather than an upfront premium, the pools produce a more traditional ongoing revenue stream in addition to the normal servicing fee.

Mr. Whitaker said that UHC has CRA pools with UBS and two American Express Banks at \$200 million and \$100 million respectively. Thus far, we have used a combined \$207 million. We had almost exclusive UBS trades early in 2012, followed by months of almost exclusive Ginnie mae TBAs. However, American Express has had better pricing over the last four weeks, even better than the Ginnie Mae TBAs. American Express asked for approval for additional amounts in the agreements in order to have additional CRA credit this quarter. Mr. Whitaker then discussed CRA Participation Pools Sold.

Mr. Whitaker explained that American Express has requested an additional \$75 million for the American Express Centurion Bank and an additional \$50 million for the American Express Federal Savings Bank for a combined total of \$125 million. The American Express Agreements are structured with the same terms as last year and will provide Utah Housing with fixed 30 year mortgage rates that are competitive with market rate mortgages and the TBA sales.

Mr. Whitaker said that there is no additional financial risk to Utah Housing in terms of these agreements. The agreement for the Participation Pool does not require the Corporation to sell its loans to American Express. The sale of loans is at the option of Utah Housing and there is no penalty for nonuse of the \$125 million commitment being provided, nor will there be an upfront transaction fee. Utah Housing plans to use the Pool as one of its funding options to sell and hedge the interest rate risk of its weekly mortgage loan production. Risk is equal to a GNMA pool where UHC is required to buy loans back at 90 days delinquent.

Mr. Whitaker concluded by stating that approval of the Resolution authorizes the agreements to be executed in a form acceptable to the President. The Resolution also authorizes UHC general funds to make available second mortgage loans for down payment assistance at a rate 200 bps (2%) higher than the first mortgage loan. Each second mortgage loan will be in an amount not to exceed 6% of the related first mortgage loan, and will be used to fund part of the borrowers' down payment and closing costs in an amount up to 6% of \$125 million or \$7.5 million. The procedures and program limits used for the American Express Participation Agreements will be those most recently authorized by the Board. There will be no negative arbitrage or interest rate risk based on how the participation agreement is structured.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion asked for a motion to adopt the resolution.

MOTION: TO APPROVE RESOLUTION 2013-17 OF UTAH HOUSING CORPORATION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$75,000,000 FANNIE MAE MBS OR WHOLE LOAN TRANSACTIONS.

Made by: Richard Ellis
Seconded by: Mark Cohen

Mr. DeFries asked for disclosures of potential conflicts before the vote was taken. Each Trustee was called on and they responded as follows:

Douglas DeFries	Yes, as filed with UHC.
Kay R. Ashton	Yes, as filed with UHC.
Mark Cohen	Yes, as filed with UHC.
Lucy Delgadillo	No interest to disclose.
Richard Ellis	No interest to disclose.
Lerron Little	Yes, as filed with UHC.

The President confirmed that each of those Trustees who so indicated such interest had a Disclosure of Potential Interest statement on file with Utah Housing that it includes current

pertinent information regarding his or her potential interests and that those statements are available for inspection and would be incorporated into the minutes by reference.

Following further discussion, Mr. DeFries called for a vote in this matter:

Vote: Approved Unanimously

The chair called for the next agenda item.

6. Resolution 2013-19 Approving FY 2013-14 Business Plan, Budget, and Staffing Plan

RESOLUTION 2013-19

A RESOLUTION OF THE UTAH HOUSING CORPORATION ADOPTING THE FY 2013-14 GOALS, STRATEGIES, AND BUSINESS PLAN OBJECTIVES; THE FY 2013-14 OPERATING BUDGET; AND THE FY 2013-14 STAFFING PLAN.

Mr. DeFries introduced the resolution recommending that the Board adopt a motion approving UHC's Fiscal Year 2013-14 Goals, Strategies and Business Plan; Operating Budget; and Staffing Plan. Mr. DeFries asked Grant Whitaker to begin discussion.

Mr. Whitaker began by saying that the UHC By-Laws require that the President provide to the Trustees at their Annual Meeting these documents for their review, consideration, and approval. Adoption of this Resolution will establish the operating blueprint for the next fiscal year, approve a budget in support of UHC operations, and authorize the expected retention and hiring of staff needed to fulfill UHC's mission.

Mr. Whitaker went on to say that annually the Trustees review and approve a new business plan and the necessary staff and budget to achieve its objectives. Because, as provided in the UHC Act, UHC is an "Independent Public Corporation" receiving no tax supported money through legislative appropriations, it must operate as a financially independent body. Its debts are payable and its operations are funded solely from payments received from mortgage borrowers and other internally generated revenues and it must make its own determinations with respect to its operations and related funding.

Mr. Whitaker explained further that the Act declares that the President approves all accounts for salaries, allowable expenses of the corporation, or of any employee or consultant, and expenses incidental to the corporation's operation and he administers, manages, and directs the affairs and activities of the corporation in accordance with the policies, control, and direction of the Trustees.

Mr. Whitaker indicated that the documents referenced by with Resolution include a Business Plan providing details regarding three major operational areas of UHC; an Operating Budget offering a detailed budget with a comprehensive analysis identifying the nature of increases or decreases from the prior year; and a Staffing Plan demonstrating the UHC human resource component, listing functional areas, employee titles, and staffing levels necessary to accomplish UHC's mission. Throughout the year, status reports will be provided to the Trustees measuring the sources and uses of funds against the Operating Budget along with other performance measures.

Mr. Whitaker concluded by stating that UHC goals are meaningful, challenging, achievable and mission based. He then asked Mr. Butterfield to discuss the budget showing how last year turned out and present the proposed budget to accommodate future goals.

Mr. Butterfield pointed out that there are two separate budgets that are the subject of the resolution, one for Mortgage Servicing and the other for the balance of Utah Housing's operations. He noted that for the past few years, several rows at the top of the budget sheets identify certain projected sources of funding to demonstrate that there are adequate revenues to cover the operating budgets. Following discussion of certain of the details of the budget and projections of funding sources, Mr. DeFries requested additional detail on the budget to be presented before moving forward with approving the 2013-14 plans. Mr. Butterfield indicated that he would prepare that information and Resolution 2013-19 was tabled for further review.

Mr. DeFries then asked if there were any additional comments or discussion from the Board, and following any additional discussion called for the next agenda item.

Other items of Business

There being no further business, a motion was made by Mark Cohen, and seconded by Kay Ashton, to move into an executive session, and the motion was approved unanimously. Following that session the chair announced that the meeting was adjourned.